

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

<b>APPLICATION FOR PERMIT TO DRILL</b>						1. WELL NAME and NUMBER Three Rivers 32-32-720				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT WILDCAT				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR AXIA ENERGY LLC						7. OPERATOR PHONE 720 746-5200				
8. ADDRESS OF OPERATOR 1430 Larimer Ste 400, Denver, CO, 80202						9. OPERATOR E-MAIL rsatre@axiaenergy.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Patented			11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee') Kenneth Joe & Dianne C. Batty						14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-789-3025				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 1600 North 1500 West, ,						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL		FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN		
LOCATION AT SURFACE		1609 FNL 2513 FEL		SWNE	32	7.0 S	20.0 E	S		
Top of Uppermost Producing Zone		1872 FNL 1980 FEL		SWNE	32	7.0 S	20.0 E	S		
At Total Depth		1872 FNL 1980 FEL		SWNE	32	7.0 S	20.0 E	S		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 39			23. NUMBER OF ACRES IN DRILLING UNIT 40				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applicable For Drilling Not Completed) 7			26. PROPOSED DEPTH MD: 7378 TVD: 7326				
27. ELEVATION - GROUND LEVEL 4793			28. BOND NUMBER LPM9046682			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2262 - RNI at Green River				
<b>Hole, Casing, and Cement Information</b>										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	11	8.625	0 - 1300	24.0	J-55 LT&C	8.7	Premium Lite High Strength	145	2.97	11.5
							Class G	115	1.16	15.8
Prod	7.875	5.0	0 - 7378	17.0	J-55 LT&C	9.2	Premium Lite High Strength	435	2.25	12.0
<b>ATTACHMENTS</b>										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Don Hamilton			TITLE Permitting Agent (Buys & Associates, Inc)				PHONE 435 719-2018			
SIGNATURE			DATE 04/10/2013				EMAIL starpoint@etv.net			
API NUMBER ASSIGNED 43047537120000					APPROVAL					

Received: April 11, 2013

## DRILLING PLAN

Axia Energy, LLC  
Three Rivers Project  
Three Rivers #32-32-720  
SWNE Sec 32 T7S R20E  
Uintah County, Utah

### 1. ESTIMATED FORMATION TOPS

FORMATION	TOP (TVD)	COMMENTS
Uinta	Surface	Gas & Degraded Oil; Possible Brackish H <sub>2</sub> O
Green River	3,148'	Oil & Associated Gas
Lower Green River*	5,143'	Oil & Associated Gas
Wasatch*	7,026'	Oil & Associated Gas
TD	7,378' (MD)	7,326' (TVD)

NOTE: Datum, Ground Level (GL) Elevation: 1,791'; Asterisks (\*) denotes target pay intervals

A) The State of Utah, Division of Oil, Gas and Mining will be notified within 24 hours of spudding the well.

### 2. CASING PROGRAM

CASING	HOLE SIZE	DEPTH SET (MD)	CSG SIZE	WGHT	GRD	THRD	CAPACITY (bbl/ft)
CONDUCTOR		50-75	13 3/8				
SURFACE	11	1300 ±	8 5/8	24.0	J-55	LTC	0.0636
PRODUCTION	7 7/8	7,378'	5 1/2	17.0	J-55	LTC	0.0232

NOTE: All casing depth intervals are to surface unless otherwise noted.

#### *Casing Specs*

SIZE (in)	ID (in)	DRIFT DIA (in)	COLLAPSE RESISTANCE (psi)	INTERNAL YIELD (psi)	TENSILE YIELD (lbs)	JOINT STRENGTH (lbs)
8 5/8	8.097	7.972	1,370	2,950	381,000	244,000
5 1/2	4.892	4.767	4,910	5,320	273,000	247,000

\*The State of Utah will be notified 24 hours prior to running casing, cementing, and BOPE testing

Received: April 10, 2013

### **FLOAT EQUIPMENT**

**SURFACE (8 5/8):**

Float Shoe, 1 JNT Casing, Float Collar

Centralizers: 1<sup>st</sup> 4 Joints: every joint  
Remainder: every third joint

**PRODUCTION (5 1/2):**

Float Shoe, 1 JNT Casing, Float Collar

Centralizers: 1<sup>st</sup> 4 Joints: every joint  
Remainder: every third joint 500' into surface casing

NOTE: 5 1/2" 17# N-80 or equivalent marker collar or casing joints will be placed at the top of the Green River and approximately 400' above the Wasatch.

### **3. CEMENT PROGRAM**

**CONDUCTOR (13 3/8):**

Ready Mix – Cement to surface

**SURFACE (8 5/8):**

Cement Top: Surface

Lead: 145 sks, Premium Lightweight Cmt w/ additives, 11.50 ppg, 2.97 cf/sk, 50% excess

Tail: 115 sks Class C Cement w/ additives, 15.80 ppg, 1.16 cf/sk, 50% excess

NOTE: The above volumes are based on gauge-hole + 50% excess

**PRODUCTION (5 1/2):**

Cement Top – 2,700'

145 sacks – Light Premium Cement w/ additives – 12.0 ppg, 2.25 cf/sk – 20% excess

NOTE: The above volumes are based on gauge hole + 20% excess. Adjustments will be made and volumes will be caliper + 10%.

NOTE: The above volumes are based on a gauged-hole. Adjustments will be made based on caliper.

- A) For Surface casing, if cement falls or does not circulate to surface, cement will be topped off.
- B) Cement will not be placed down annulus with a 1" pipe unless the State of Utah is contacted.
- C) The State of Utah will be notified 24 hours prior to running casing and cementing.

### **4. PRESSURE CONTROL EQUIPMENT**

- A) The State of Utah, Division of Oil, Gas and Mining will be notified 24 hours prior to all BOPE pressure tests.
- B) The BOPE shall be closed whenever the well is unattended.
  - a) All BOPE connections subjected to well pressure will be flanged, welded, or clamped.
  - b) Choke Manifold:

- i) Tee blocks or targeted 'T's will be used and anchored to prevent slip and reduce vibration.
- ii) Two adjustable chokes will be used in the choke manifold.
- iii) All valves (except chokes) in kill line choke manifold and choke line will not restrict the flow.
- iv) Pressure gauges in the well control system will be designed for drilling fluid.

**C) BOPE Testing:**

- a) BOPE shall be pressure tested when initially installed, whenever any seal subject to pressure testing is broken, or after repairs.
- b) All BOP tests will be performed with a test plug in place.
- c) BOP will be tested to full stack working pressure and annular preventer to 50% stack working pressure.

INTERVAL	BOP EQUIPMENT
0 – 1300 ±	11" Diverter with Rotating Head
1300 ± – TD	3,000# Ram Double BOP & Annular with Diverter & Rotating Head

NOTE: Drilling spool to accommodate choke and kill lines.

## 5. MUD PROGRAM

- A) Mud test will be performed at least every 24 hours and after mudding up to determine density, viscosity, gel strength, filtration, and pH.
- B) Gas-detecting equipment will be installed and operated in the mud-return system from top of Green River Formation to TD.
  - a) Flare line discharge will be located no less than 100 feet from the wellhead using straight or targeted 'T's and anchors.

INTERVAL	MUD WEIGHT	WSC	FLUID LOSS	COMMENTS
SURF – 1300 ±	8.4 – 8.7 ppg	32	NC	Spud Mud
1300 ± – TD	8.6 – 9.2 ppg	40	NC	DAP/Gel

NOTE: Mud weight increases will be directed by hole conditions.

## 6. ABNORMAL CONDITIONS

- A) No abnormal pressures or temperatures are anticipated.
  - a) Estimated bottom hole pressure at TD will be approximately 3,172 psi (normal pressure gradient: 0.433 psi/ft).
  - b) Estimated maximum surface pressure will be approximately 1,612 psi (estimated bottom hole minus pressure of partially evacuated hole (gradient: 0.220 psi/ft)).
- B) No hydrogen sulfide is anticipated.

INTERVAL	CONDITION
SURF – 1300 ±	Lost Circulation Possible
1300 ± – TD	Lost Circulation Possible

**7. AUXILIARY EQUIPMENT**

- A) Choke Manifold
- B) Upper and lower kelly cock with handle available
- C) Stabbing valve
- D) Safety valve and subs to fit all string connections in use

**8. SURVEY & LOGGING PROGRAMS**

- A) Cores: None anticipated.
- B) Testing: None anticipated.
- C) Directional Drilling: Directional tools will be used to locate the bottom hole per the attached directional plan +/-.
- D) Open Hole Logs: TD to surface casing: resistivity, neutron density, gamma ray and caliper.
- E) Mud Logs: Computerized 2-person logging unit will catch and describe 10 foot samples from top of Green River Formation to TD; record and monitor gas shows and record drill times (normal mud logging duties).

**9. HAZARDOUS MATERIALS**

In accordance with Superfund Amendments and Reauthorization Act of 1986 (SARA) Title III, no chemicals subject to reporting in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well.

**CONFIDENTIAL**  
**Returned Unapproved**

T7S, R20E, S.L.B.&M.

AXIA ENERGY

Well location, THREE RIVERS #32-32-720, located as shown in the SW 1/4 NE 1/4 of Section 32, T7S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (38EAM) LOCATED IN THE SW 1/4 OF SECTION 9, T7S, R20E, S.L.B.&M. TAKEN FROM THE PELICAN LAKE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4942 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S64°11'42"E	595.38'



SCALE

CERTIFICATE

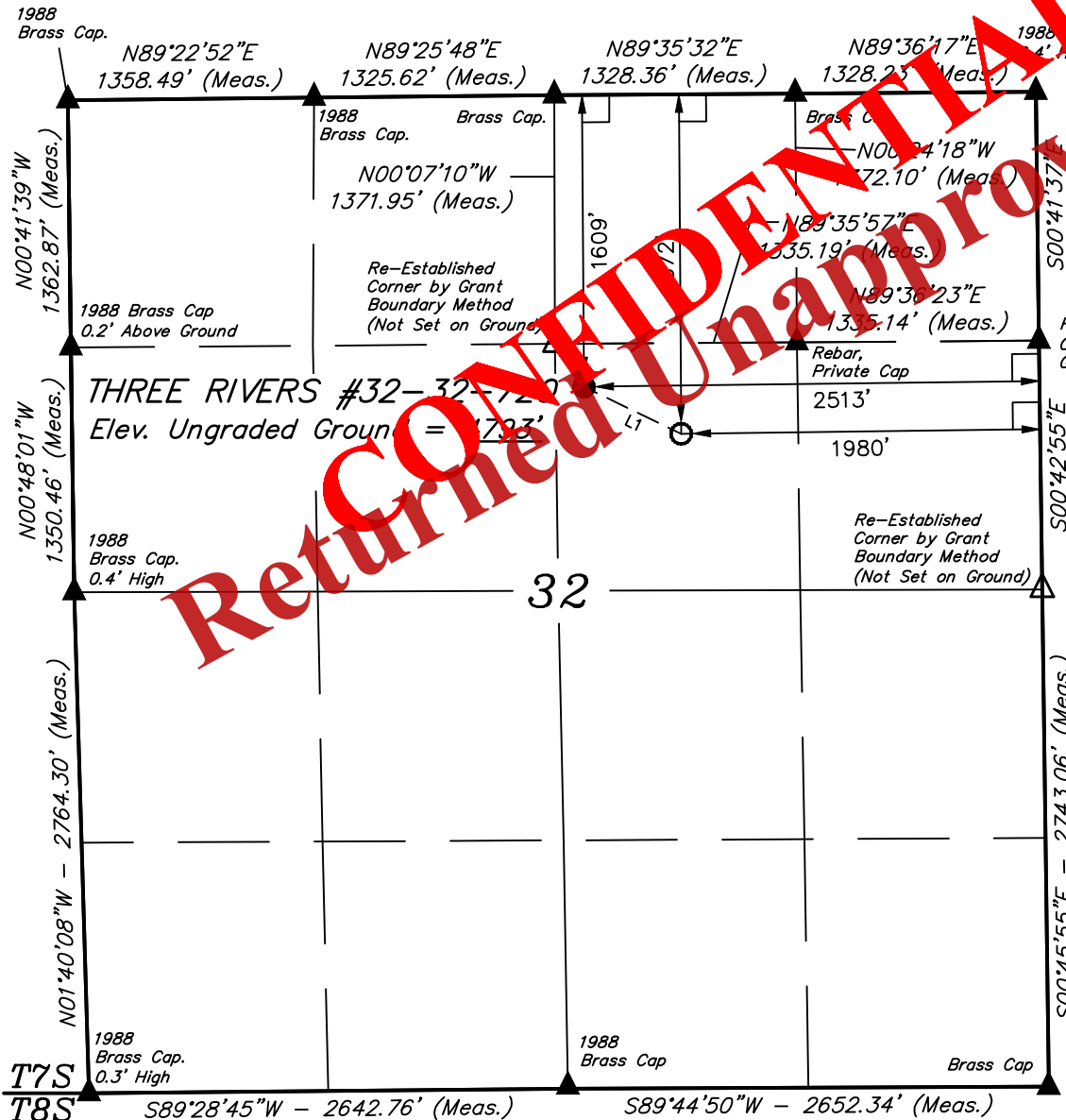
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

REV: 04-08-13 S.F.

**UINTAH ENGINEERING & LAND SURVEYING**  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 03-24-13	DATE DRAWN: 03-19-13
PARTY B.H. E.C. C.A.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE AXIA ENERGY	



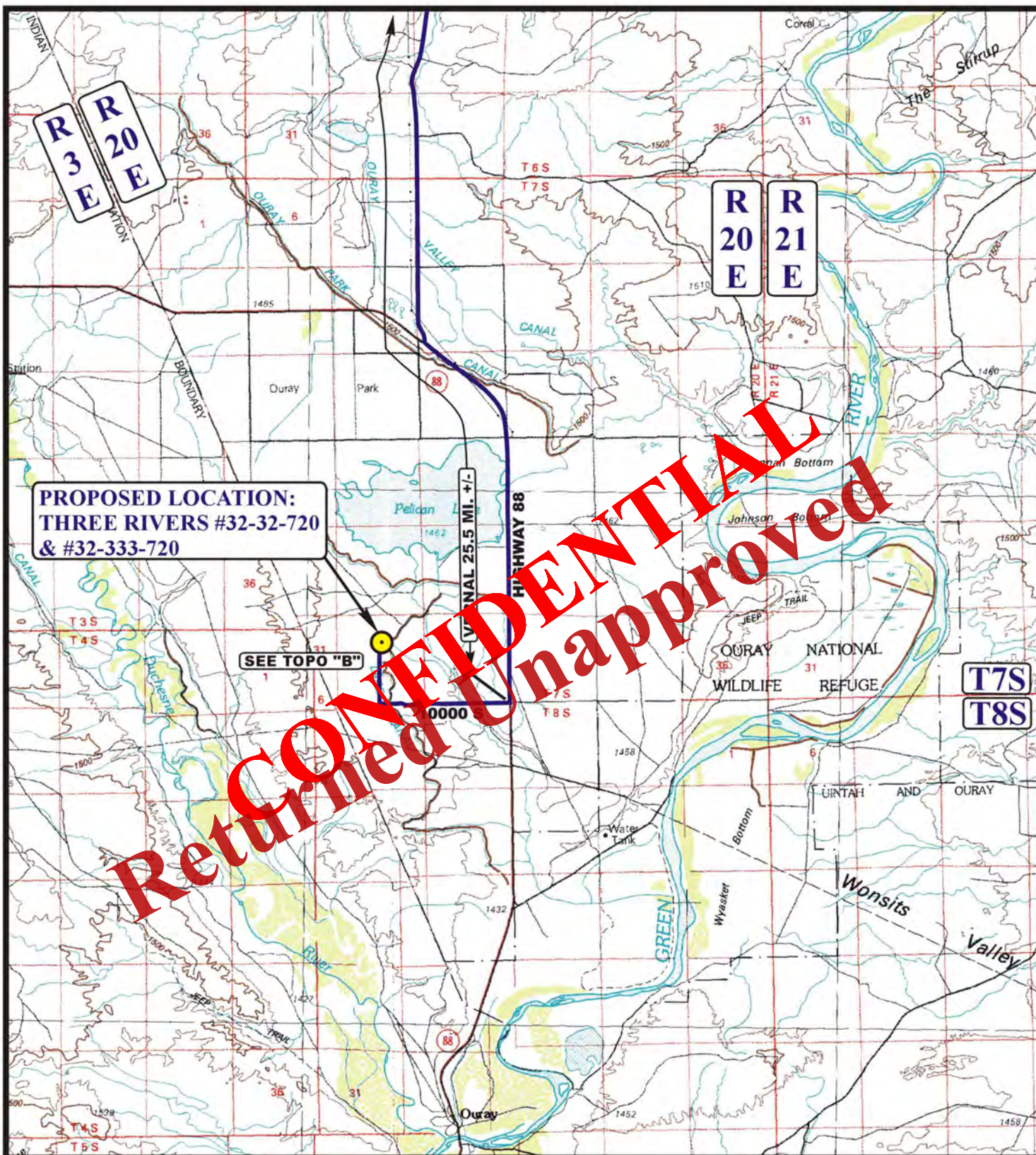
**LEGEND:**

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

NAD 83 (TARGET BOTTOM HOLE)	NAD 83 (SURFACE LOCATION)
LATITUDE = 40°10'07.15" (40.168653)	LATITUDE = 40°10'09.71" (40.169364)
LONGITUDE = 109°41'25.62" (109.690450)	LONGITUDE = 109°41'32.53" (109.692369)
NAD 27 (TARGET BOTTOM HOLE)	NAD 27 (SURFACE LOCATION)
LATITUDE = 40°10'07.29" (40.168692)	LATITUDE = 40°10'09.85" (40.169403)
LONGITUDE = 109°41'23.12" (109.689756)	LONGITUDE = 109°41'30.02" (109.691672)

Received: April 10, 2013





**PROPOSED LOCATION:  
THREE RIVERS #32-32-720  
& #32-333-720**

**SEE TOPO "B"**

**CANAL 25.5 MI. +/-**

**HIGHWAY 88**

**LEGEND:**

**PROPOSED LOCATION**



**AXIA ENERGY**

**THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4**



**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**ACCESS ROAD  
MAP**

**03 20 13**  
MONTH DAY YEAR



SCALE: 1:100,000 DRAWN BY: A.T. REVISED: 00-00-00



**EXISTING FENCE**

**PROPOSED ACCESS 40' +/-**

**DETAIL "A"**

**THREE RIVERS**  
**#32-41-720**

**REED B.  
& VICKIE L.  
MADSEN**

**BATTY  
KENNETH JOR  
& DIANE**

**DEVORE DOROTHY  
WINDER & GREGGORY  
RUSSELL TRUSTEES ETAL**

**THREE RIVERS  
#32-33-720 &  
#32-34-720**

**E RIVERS  
5-720**

**FOUR STAR  
RANCH INC**

**THREE RIVERS  
#4-21-820 &  
#4-31-820**

**EXISTING OVER  
HEAD POWER LINE**

**CONFIDENTIAL**  
**Returned Unapproved**

SEE DETAIL "A"

1.6 MI. +/-

0.8 MI. +/-

10000 S

Lake

4565

4858

4600

4710

4750

4762

4765

4900

T7S

T8S

R6E

R7E

R8E

R9E

R10E

R11E

R12E

R13E

R14E

R15E

R16E

R17E

R18E

R19E

R20E

R21E

R22E

R23E

R24E

R25E

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R360E

R361E

R362E

R363E

R364E

R365E

**THREE RIVERS**  
**#32-41-720**

**EDDIE R. &  
LY-THI JENSEN**

**REED B.  
& VICKIE L.  
MADSEN**

**SEE DETAIL "A"**

**THREE RIVERS**  
#32-33-720 &  
#32-34-720

**THREE RIVERS.**  
**#32-35-720**

**ANDERSON**  
**KAY E**

**THREE RIVERS**  
#32-15-720 &  
#32-25-720

**BATTY  
KENNETH  
& DIANE**

**DEVORE DOROTHY  
WINNER & GREGGORY  
RUSSELL TRUSTEES ETAL**

**1.6 MI. +/-**

0.8 MI. +/-

**10000 \$**



**T7S**

**T8S**

**FOUR STAR  
RANCH INC**

**THREE RIVERS**  
#4-21-820 &  
#4-31-820

**EXISTING OVER  
HEAD POWER LINE**

 EXISTING ROAD  
 PROPOSED ACCESS ROAD  
 EXISTING POWER LINE  
 EXISTING FENCE

**THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4**



**Utah Engineering & Land Surveying**  
**85 South 200 East Vernal, Utah 84078**  
**(435) 789-1017 \* FAX (435) 789-1813**

## ACCESS ROAD MAP

03 20 13  
MONTH DAY YEAR

**SCALE: 1" = 2000'**

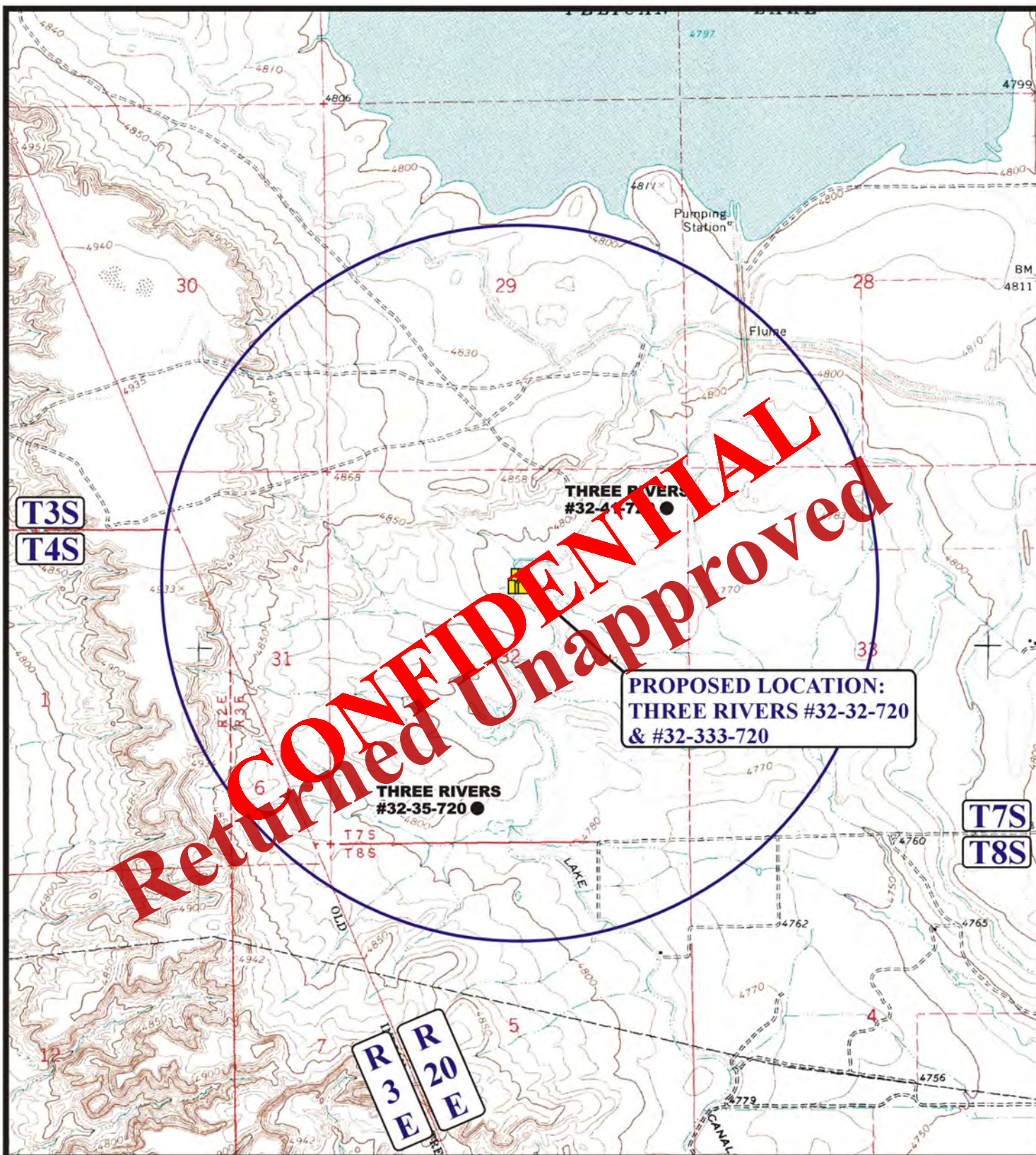
DRAWN BY: A.T.

REVISÉ: 00-00-00

**B**  
**TOPO**

Received: April 10, 2013





# LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- ⬮ SHUT IN WELLS
- ⬮ ABANDONED WELLS
- ⬮ TEMPORARILY ABANDONED



# AXIA ENERGY

THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4



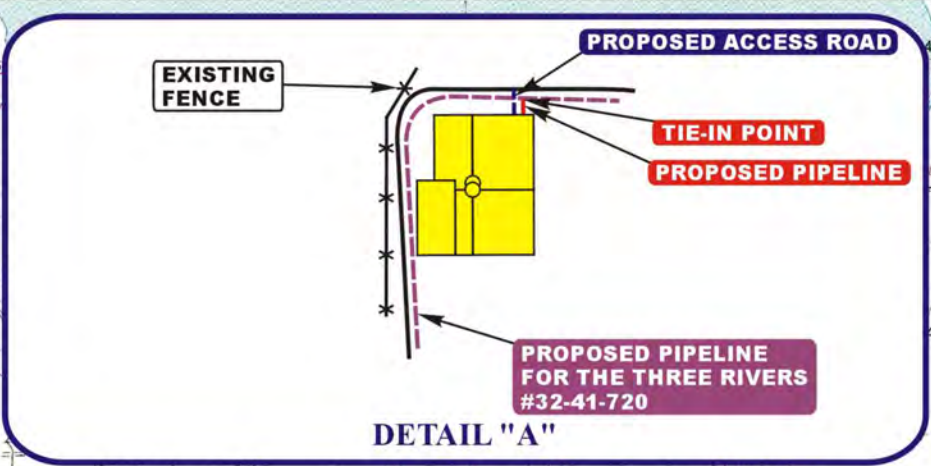
Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC MAP  
03 20 13  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: A.T. REVISED: 00-00-00

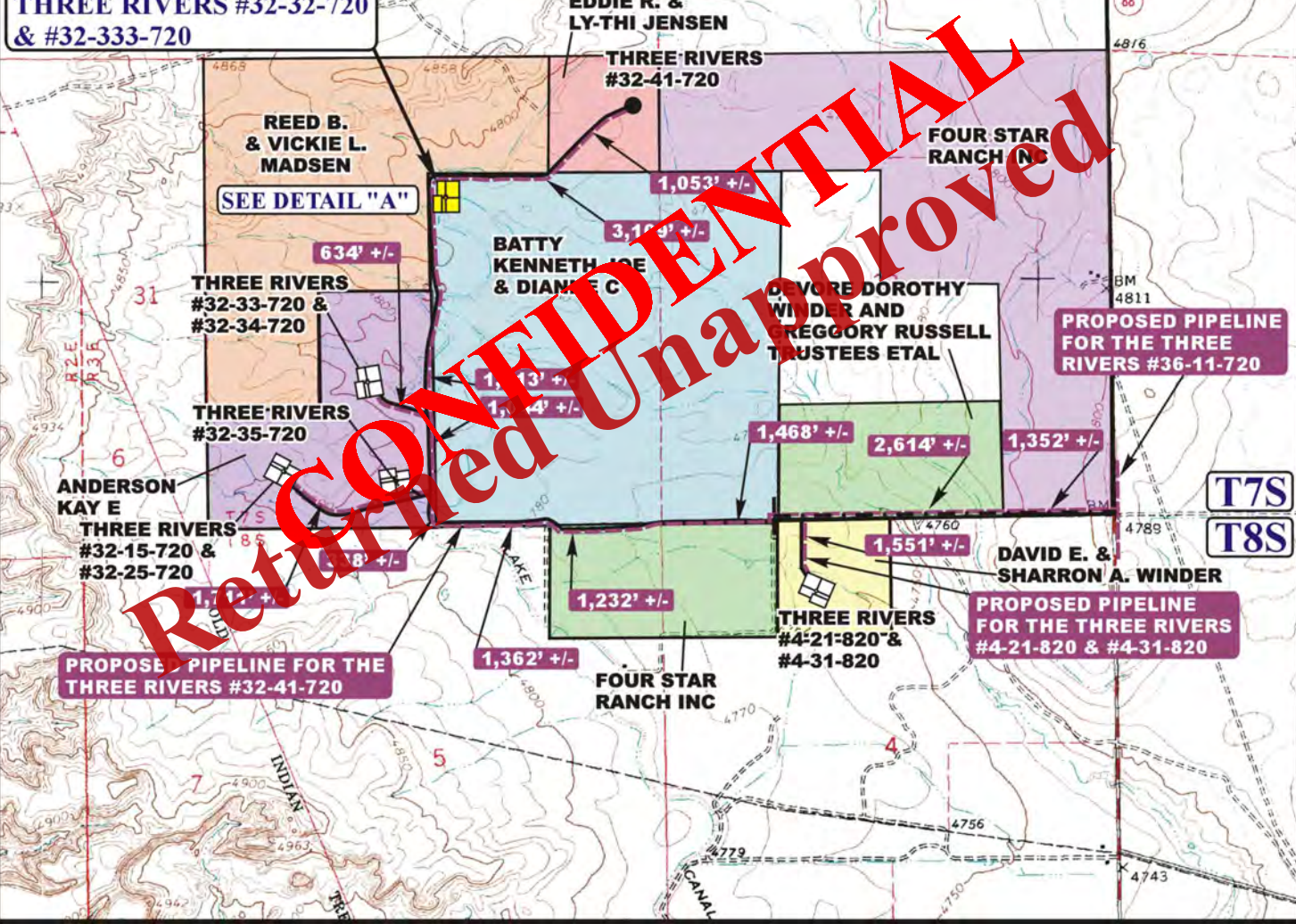




R  
20  
E



**PROPOSED LOCATION:  
THREE RIVERS #32-32-720  
& #32-333-720**



**APPROXIMATE TOTAL PIPELINE DISTANCE = 29' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)
- EXISTING FENCE



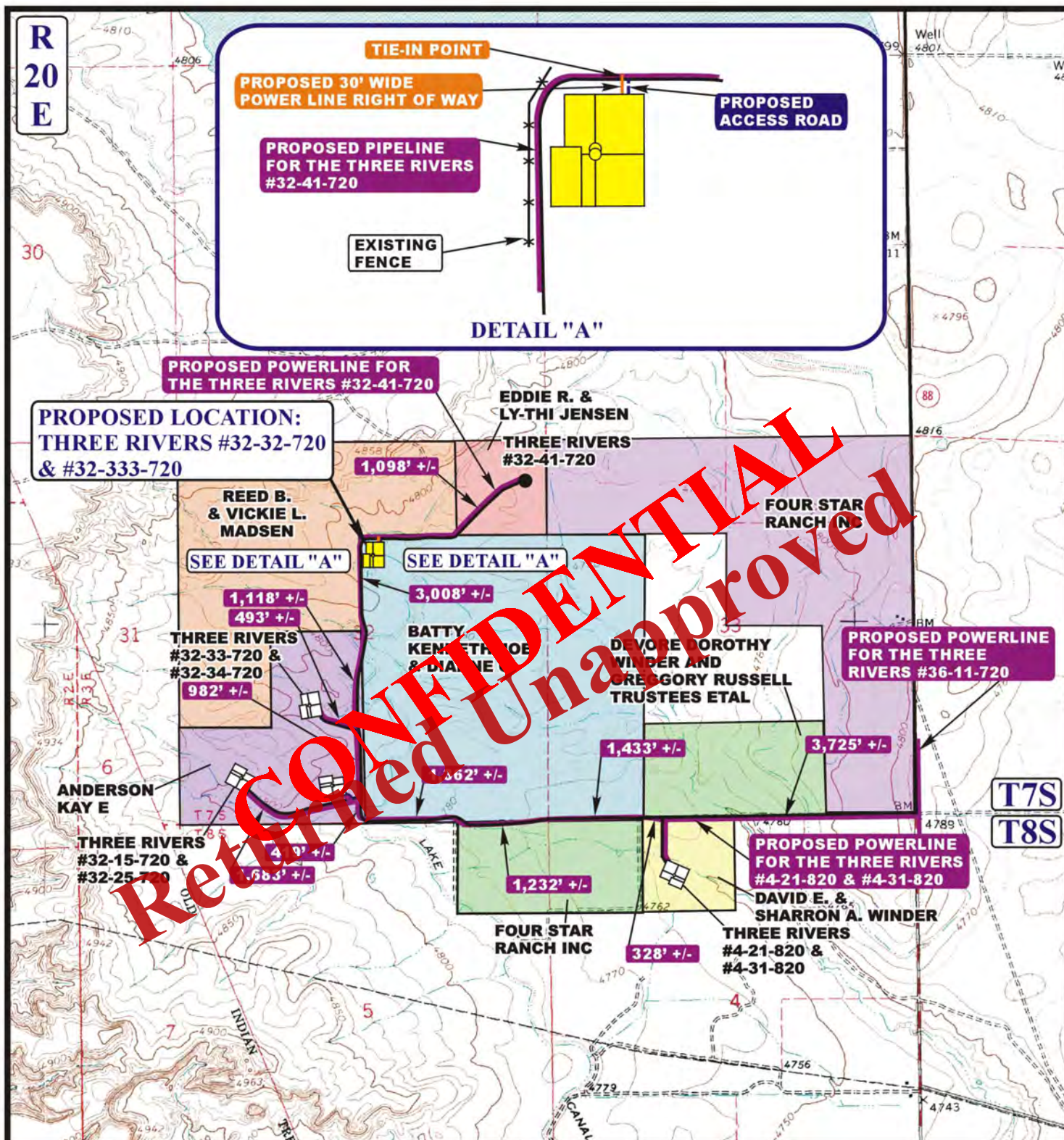
**AXIA ENERGY**

**THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4**

**U&LS**  
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**TOPOGRAPHIC MAP**  
03 20 13  
MONTH DAY YEAR  
SCALE: 1" = 2000' DRAWN BY: A.T. REVISED: 00-00-00  
**D TOPO**





APPROXIMATE TOTAL POWER LINE DISTANCE = 64' +/-

**LEGEND:**

- PROPOSED ACCESS ROAD
- PROPOSED POWER LINE
- PROPOSED POWER LINE (SERVICING OTHER WELLS)
- EXISTING FENCE



**AXIA ENERGY**

THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4



Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

TOPOGRAPHIC  
MAP

03 20 13  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: A.T. REVISED: 00-00-00





# Axia Energy

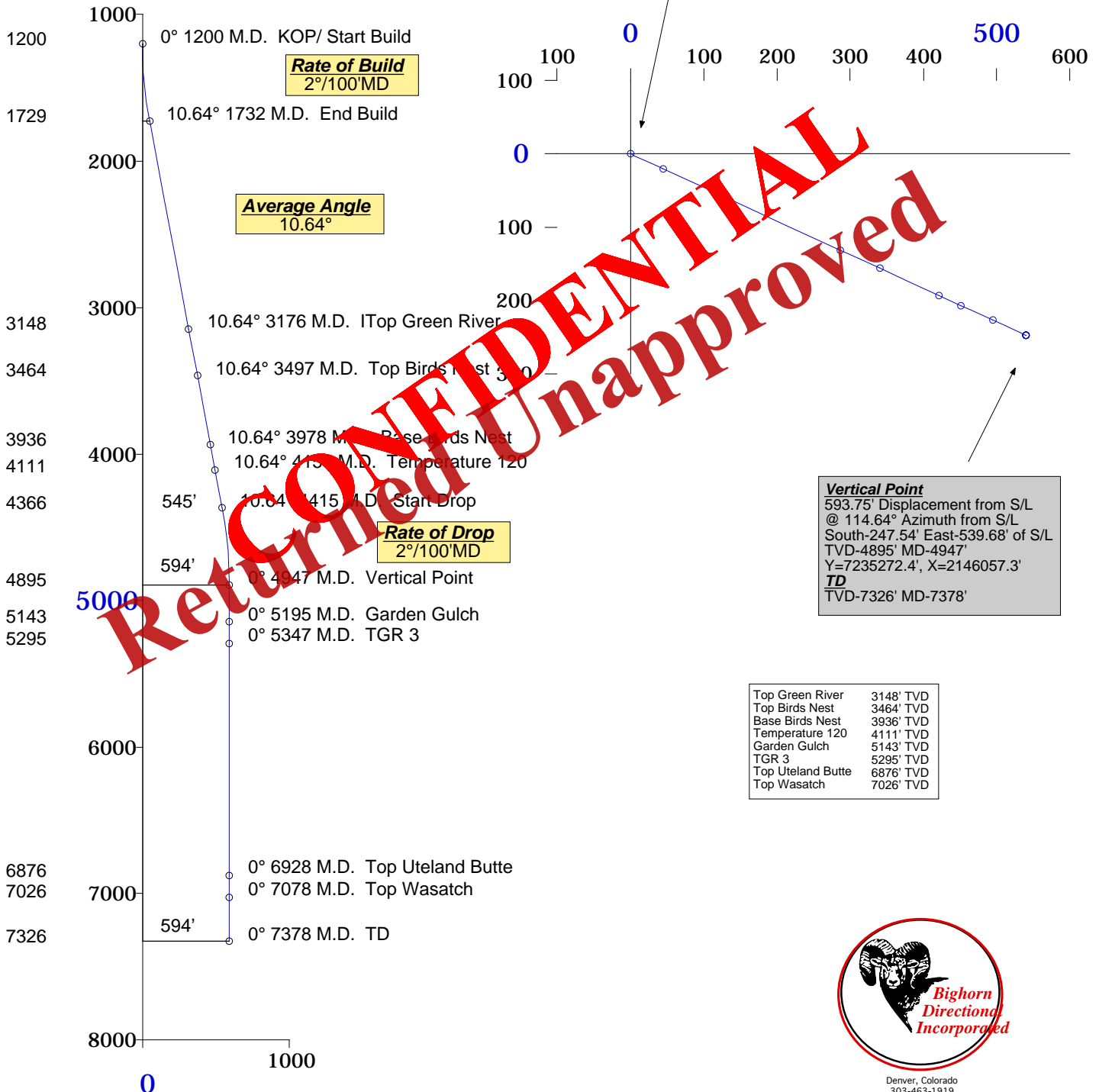
Three Rivers 32-32-720  
Uintah County, Utah

**Horizontal Plan**  
1" = 200'

**Plane of Proposal**  
114.64° Azimuth

**Vertical Section**  
1" = 1000'

**Surface Location**  
Y=7235519.99'  
X=2145517.58'  
NAD83



Denver, Colorado  
303-463-1919

04-09-2013

Received: April 10, 2013

# Bighorn Directional, Inc.

Axia Energy  
Three Rivers 32-32-720  
Uintah County, Utah



Page: 1

Minimum of Curvature  
Slot Location: 7235519.99', 2145517.58'  
Plane of Vertical Section: 114.64°

Measured Depth Feet	BORE Inc Degrees	HOLE Direction Degrees	True Vertical Depth Feet	RECTANGULAR COORDINATES		LAMBERT COORDINATES		Vertical Section Feet	CLOSURES		Dogleg Severity Deg/100'
				North(-South) Feet	East(-West) Feet	Y Feet	X Feet		Distance Feet	Direction Deg	
1200.00	0.00	0.00	1200.00	0.00	0.00	7235520.0	2145517.6	0.00	0.00	0.00	0.00
KOP/ Start Build											
1300.00	2.00	114.64	1299.98	-0.73	1.59	7235519.3	2145519.2	1.75	1.75	114.64	2.00
1400.00	4.00	114.64	1399.84	-2.91	6.34	7235517.1	2145523.9	6.98	6.98	114.64	2.00
1500.00	6.00	114.64	1499.45	-6.54	14.26	7235513.4	2145531.8	15.69	15.69	114.64	2.00
1600.00	8.00	114.64	1598.70	-11.62	27.34	7235508.4	2145542.9	27.88	27.88	114.64	2.00
1700.00	10.00	114.64	1697.47	-18.11	39.56	7235501.8	2145557.1	43.52	43.52	114.64	2.00
1731.79	10.64	114.64	1728.74	-20.52	44.73	7235499.5	2145562.3	49.22	49.22	114.64	2.00
End Build											
2231.79	10.64	114.64	2220.15	-41.99	128.62	7235461.0	2145646.2	141.50	141.50	114.64	0.00
2731.79	10.64	114.64	2711.51	-67.47	212.50	7235422.5	2145730.1	233.78	233.78	114.64	0.00
3175.86	10.64	114.64	3143.00	-131.64	287.00	7235388.3	2145804.6	315.75	315.75	114.64	0.00
ITop Green River											
3231.79	10.64	114.64	3202.97	-135.94	296.38	7235384.0	2145814.0	326.07	326.07	114.64	0.00
3497.38	10.64	114.64	3454.00	-156.38	340.94	7235363.6	2145858.5	375.09	375.09	114.64	0.00
Top Birds Nest											
3731.79	10.64	114.64	3694.38	-174.42	380.26	7235345.6	2145897.8	418.35	418.35	114.64	0.00
3977.63	10.64	114.64	3936.00	-193.34	421.50	7235326.6	2145939.1	463.73	463.73	114.64	0.00
Base Birds Nest											
4155.69	10.64	114.64	4111.00	-207.04	451.38	7235312.9	2145969.0	496.59	496.59	114.64	0.00
Temperature 120											
4231.79	10.64	114.64	4185.79	-212.89	464.14	7235307.1	2145981.7	510.64	510.64	114.64	0.00
4415.41	10.64	114.64	4366.26	-227.02	494.95	7235293.0	2146012.5	544.53	544.53	114.64	0.00
Start Drop											
4515.41	8.64	114.64	4464.84	-234.00	510.16	7235286.0	2146027.7	561.27	561.27	114.64	2.00
4615.41	6.64	114.64	4563.95	-239.54	522.24	7235280.4	2146039.8	574.56	574.56	114.64	2.00
4715.41	4.64	114.64	4663.46	-243.64	531.17	7235276.3	2146048.7	584.38	584.38	114.64	2.00
4815.41	2.64	114.64	4763.26	-246.28	536.93	7235273.7	2146054.5	590.72	590.72	114.64	2.00

Received: April 10, 2013

# Bighorn Directional, Inc.

Axia Energy  
Three Rivers 32-32-720  
Uintah County, Utah



Page: 2

Minimum of Curvature  
Slot Location: 7235519.99', 2145517.58'  
Plane of Vertical Section: 114.64°

Measured Depth Feet	BORE Inc Degrees	HOLE Direction Degrees	True Vertical Depth Feet	RECTANGULAR COORDINATES		LAMBERT COORDINATES		Vertical Section Feet	CLOSURES		Dogleg Severity Deg/100'
				North(-South) Feet	East(-West) Feet	Y Feet	X Feet		Distance Feet	Direction Deg	
4915.41	0.64	114.64	4863.21	-247.47	539.52	7235272.3	2146057.1	593.57	593.57	114.64	2.00
4947.20	0.00	114.64	4895.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	2.00
Vertical Point											
5195.20	0.00	114.64	5143.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	0.00
Garden Gulch											
5347.20	0.00	114.64	5295.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	0.00
TGR 3											
6928.20	0.00	114.64	6876.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	0.00
Top Uteland Butte											
7078.20	0.00	114.64	7026.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	0.00
Top Wasatch											
7378.20	0.00	114.64	7326.00	-247.54	539.68	7235272.4	2146057.3	593.75	593.75	114.64	0.00
TD											
Final Station Closure Distance: 593.75' Direction: 114.64°											

CONFIDENTIAL  
Returned Unapproved

Received: April 10, 2013



## MEMORANDUM OF SURFACE USE AGREEMENT

**State:** Utah  
**County:** Uintah  
**Owner:** Kenneth Joe Batty  
**Operator:** Axia Energy, LLC, 1430 Larimer Street, Suite 400, Denver, Colorado 80202  
**Effective Date:** September 1, 2012

As of the Effective Date stated above, Owner, named above, executed and delivered to Operator, named above, a Surface Use Agreement (the "SUA") in which Owner has granted Operator certain rights to access the lands described below ("The Lands") for the purpose of exploring for and producing oil and gas from its oil and gas leases underlying the Lands and to construct drill pads, to drill oil and gas wells, and to construct and maintain associated production facilities, including pipelines. The Lands, all of which are situated in ~~Section 32, Township 7S, Range 20E, Section 33~~ are described as follows:

Township 7S, Range 20E

Section 32 - SW 1/4 S/2 NE/4

Section 33 - NW 1/2 SW/4 & SW 1/4 NW/4

This SUA shall terminate upon the later of: (i) the expiration or termination of the underlying oil and gas leases held by Operator, its successor or assigns; or (ii) upon completion of final reclamation on the lands by Operator, its successors or assigns.

This Memorandum of Surface Use Agreement is executed by Owner and Operator and placed of record in the county in which the Lands are located for the purpose of placing all persons on notice of the existence of the Surface Use Agreement, which is not, at the request of both parties, being filed of record.

This Memorandum is signed by Owner and Operator, as of the date of the acknowledgment of their signatures below, but is effective for all purposes as of the Effective Date stated above.

**OWNER:**

By: Kenneth Joe Batty

Kenneth Joe Batty

**OPERATOR:**

AXIA ENERGY, LLC

By: Tab McGinlev

Tab McGinlev, Vice President of Land

Received: April 10, 2013

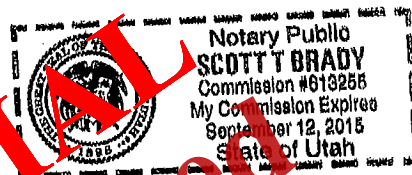
Acknowledgement

STATE OF UTAH )  
COUNTY OF Utah )

The foregoing instrument was acknowledged before me this 11 day of September, 2012 by Kenneth Joe Batty.

Witness my hand and official seal.

My commission expires: 9-12-15



[Signature]  
Notary Public

STATE OF COLORADO )  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of October, 2012, by Tab McGinley, appearing herein in his capacity as Vice President of Land of Ayla Energy, LLC

Witness my hand and official seal.

My commission expires: 7/6/13



My Commission Expires 7/6/13

Marci A. Winston  
Notary Public

Address: 1430 Larimer Street  
Suite 400  
Denver, Colorado 80202

# BOP Equipment

3000psi WP

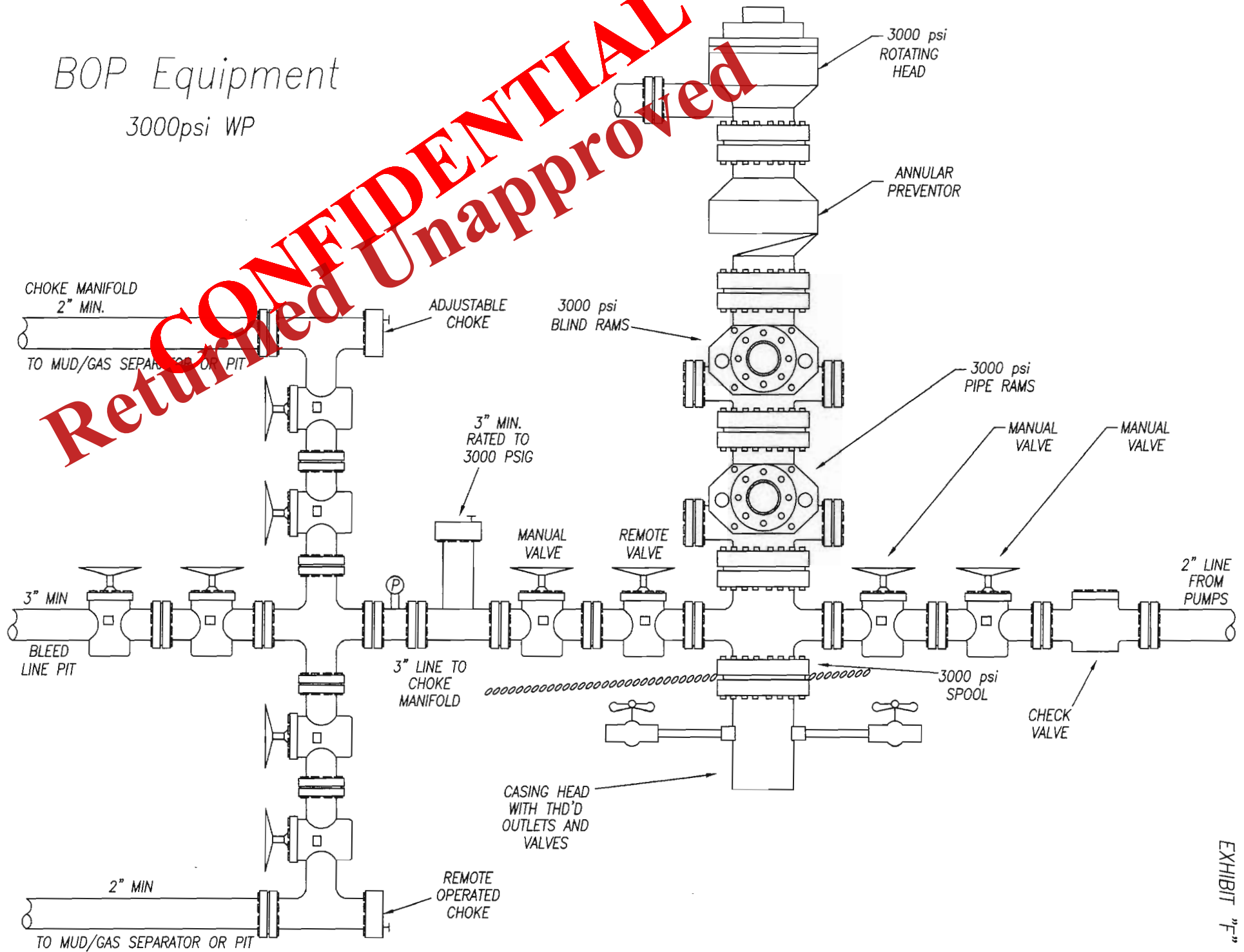


EXHIBIT "F"





2580 Creekview Road  
Moab, Utah 84532  
435/719-2018

April 10, 2013

Mrs. Diana Mason  
State of Utah  
Division of Oil Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: Request for Exception to Spacing – Axia Energy, LLC – **Three Rivers 32-32-720**  
*Surface Location:* SWNE, 1609' ENL & 51' FEL, Sec. 32, T7S, R20E  
*Target Location:* SWNE, 1872' ENL & 19' FEL, Sec. 32, T7S, R20E  
SLB&M, Uintah County, Utah

Dear Diana:

Axia Energy, LLC respectfully submits this request for exception to spacing (R649-3-11) based on geology since the well is located less than 460 feet to the drilling unit boundary. Axia Energy, LLC is the only owner and operator within 460 feet of the surface and target location as well as all points along the intended well bore path and are not within 460 feet of any uncommitted tracts or a unit boundary.

Thank you very much for your timely consideration of this application. Please feel free to contact Jess A. Peonio of Axia Energy, LLC at 720-746-5212 or myself should you have any questions or need additional information.

Sincerely,

Don Hamilton  
Agent for Axia Energy, LLC

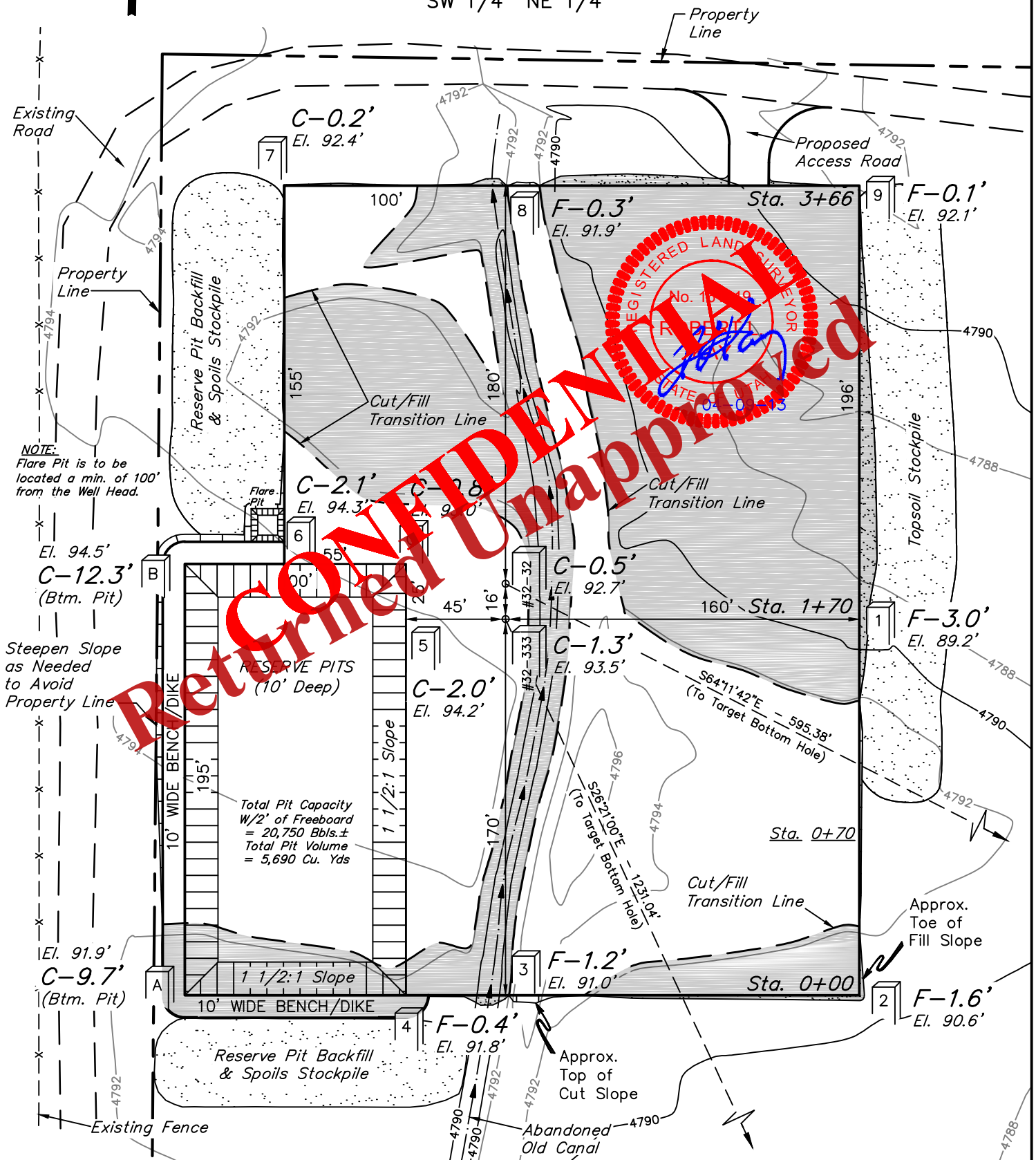
cc: Jess A. Peonio, Axia Energy, LLC

**Received: April 10, 2013**

## LOCATION LAYOUT FOR

**FIGURE #1**

SCALE: 1" = 60'  
DATE: 03-24-13  
DRAWN BY: C.A.G.  
REV: 04-08-13 S.F.



Elev. Ungraded Ground At #32-333-720 Loc. Stake = 4793.5', UINTEAH ENGINEERING & LAND SURVEYING  
FINISHED GRADE ELEV. AT #32-333-720 LOC. STAKE = 4792.2' 85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

**Received: April 10, 2013**

1" = 40'  
X-Section  
Scale  
1" = 100'  
DATE: 03-24-13  
DRAWN BY: C.A.G.

# AXIA ENERGY

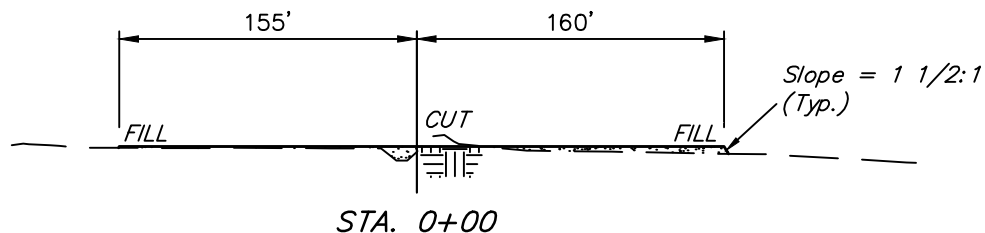
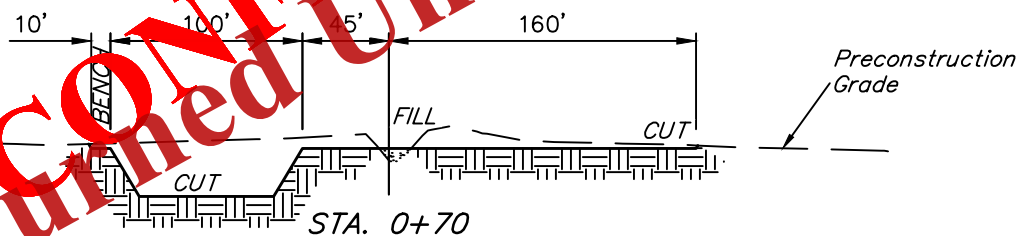
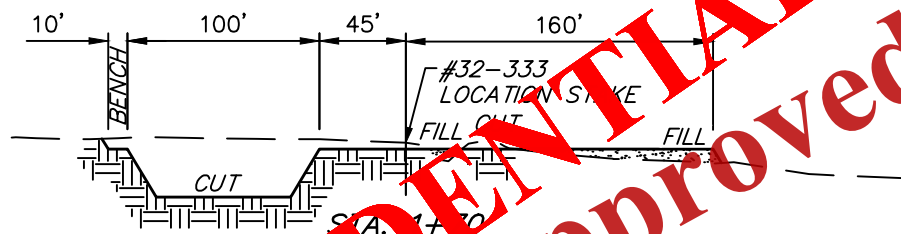
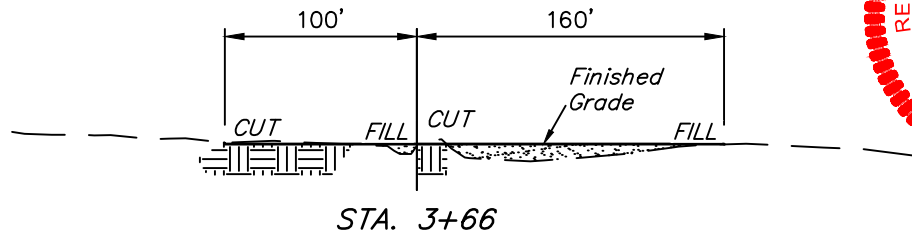
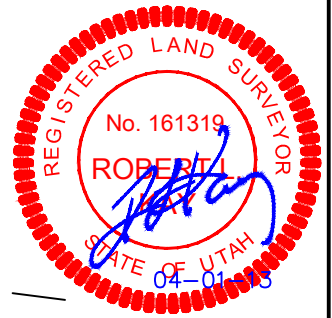
## TYPICAL CROSS SECTIONS FOR

THREE RIVERS #32-32-720 & #32-333-720

SECTION 32, T7S, R20E, S.L.B.&M.

SW 1/4 NE 1/4

FIGURE #2



### NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

### APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 4.016 ACRES

### \* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

### APPROXIMATE YARDAGES

(6") Topsoil Stripping = 2,060 Cu. Yds.  
Remaining Location = 8,150 Cu. Yds.  
TOTAL CUT = 10,210 CU. YDS.  
FILL = 4,730 CU. YDS.

EXCESS MATERIAL = 5,480 Cu. Yds.  
Topsoil & Pit Backfill = 4,910 Cu. Yds.  
(1/2 Pit Vol.)  
EXCESS UNBALANCE = 570 Cu. Yds.  
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

Received: April 10, 2013



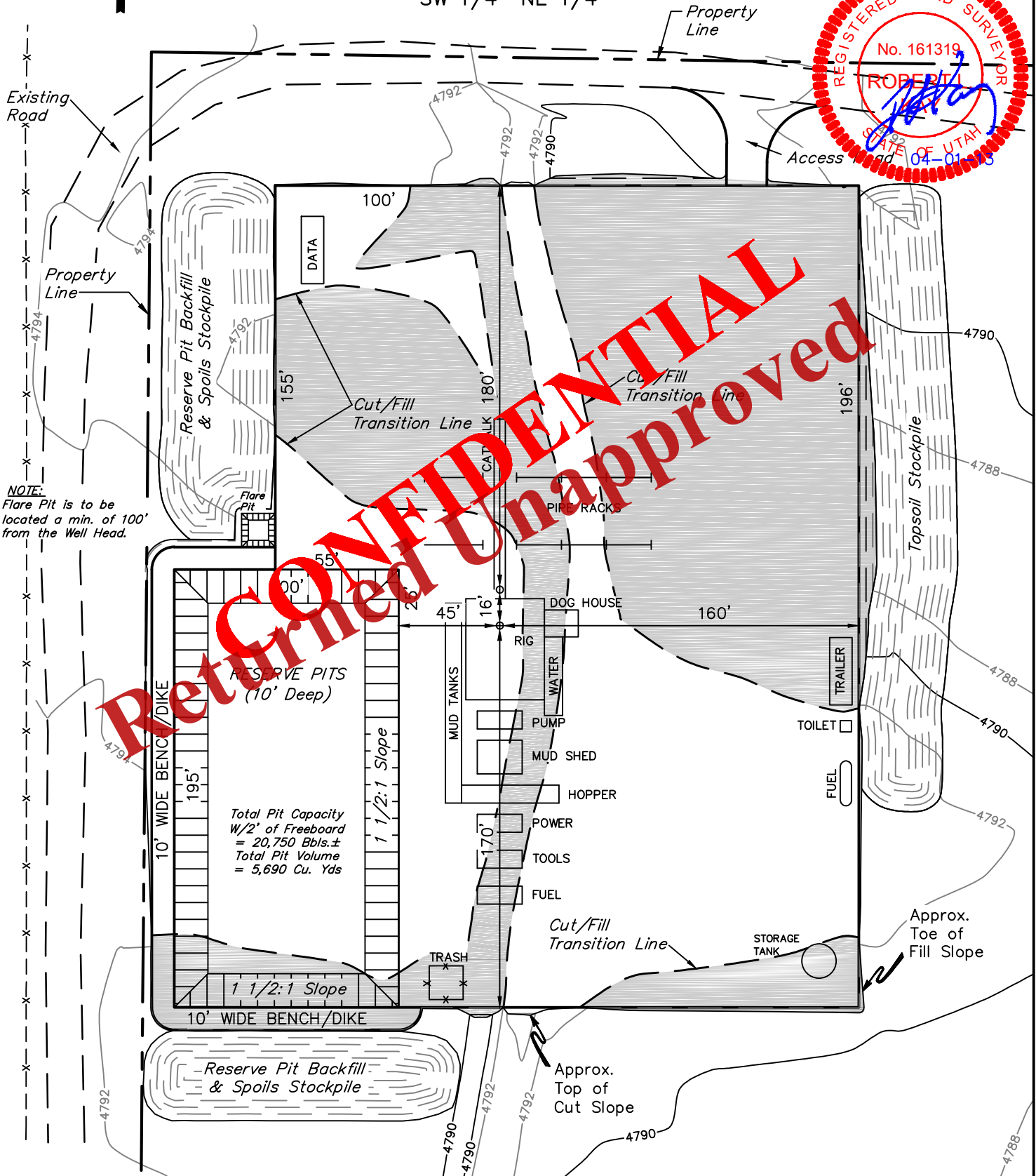
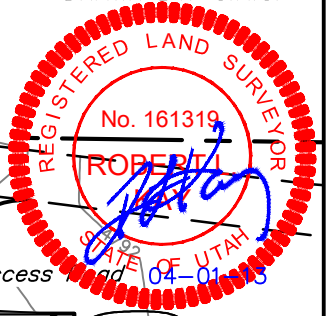
# AXIA ENERGY

## TYPICAL RIG LAYOUT FOR

THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4

FIGURE #3

SCALE: 1" = 60'  
DATE: 03-24-13  
DRAWN BY: C.A.G.

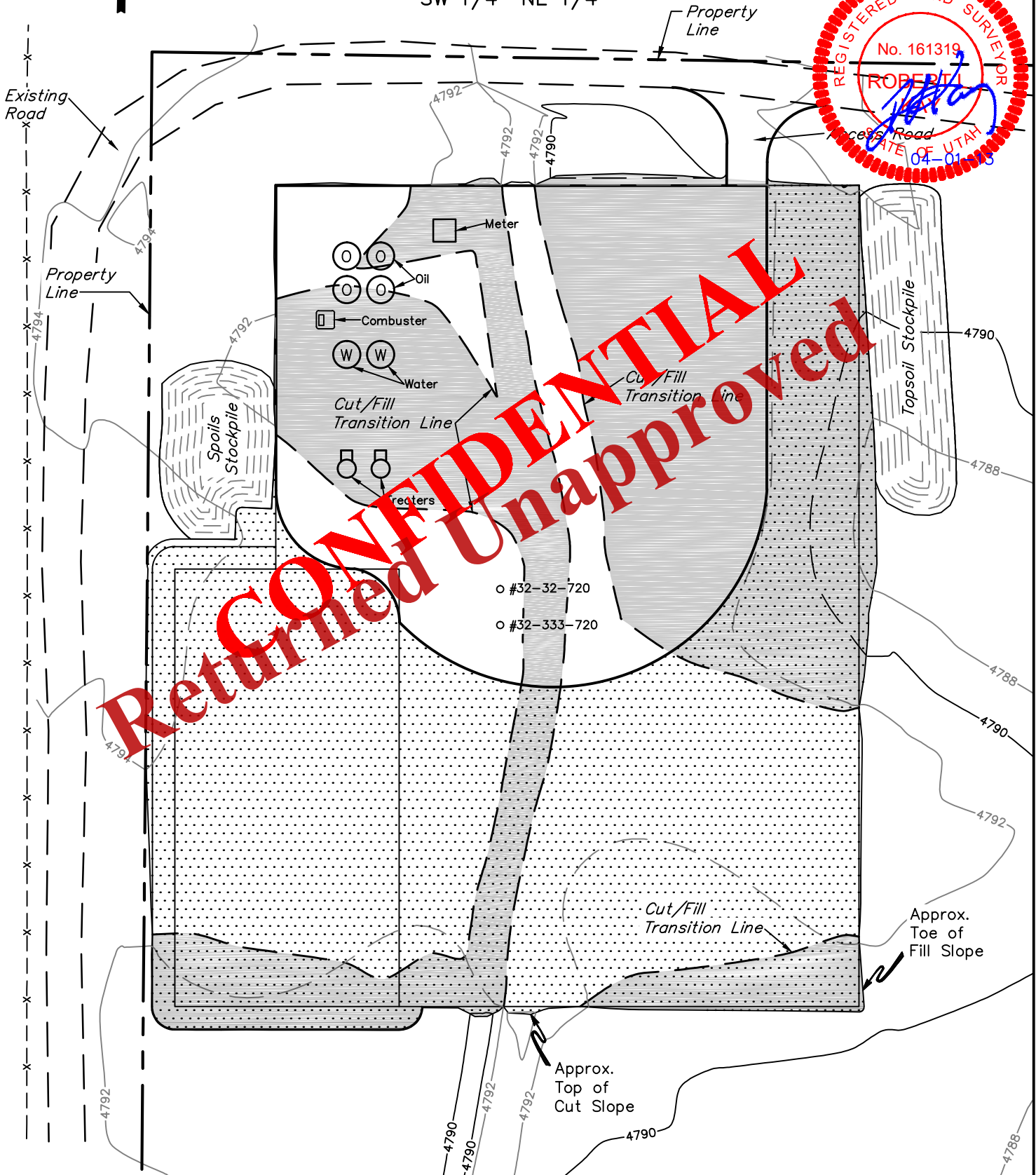
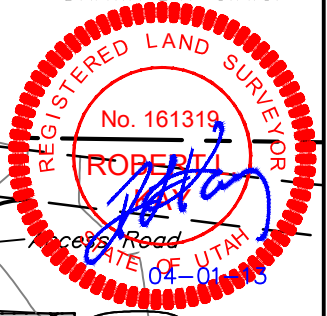


# AXIA ENERGY

INTERIM RECLAMATION PLAN FOR  
THREE RIVERS #32-32-720 & #32-333-720  
SECTION 32, T7S, R20E, S.L.B.&M.  
SW 1/4 NE 1/4

FIGURE #4

SCALE: 1" = 60'  
DATE: 03-24-13  
DRAWN BY: C.A.G.



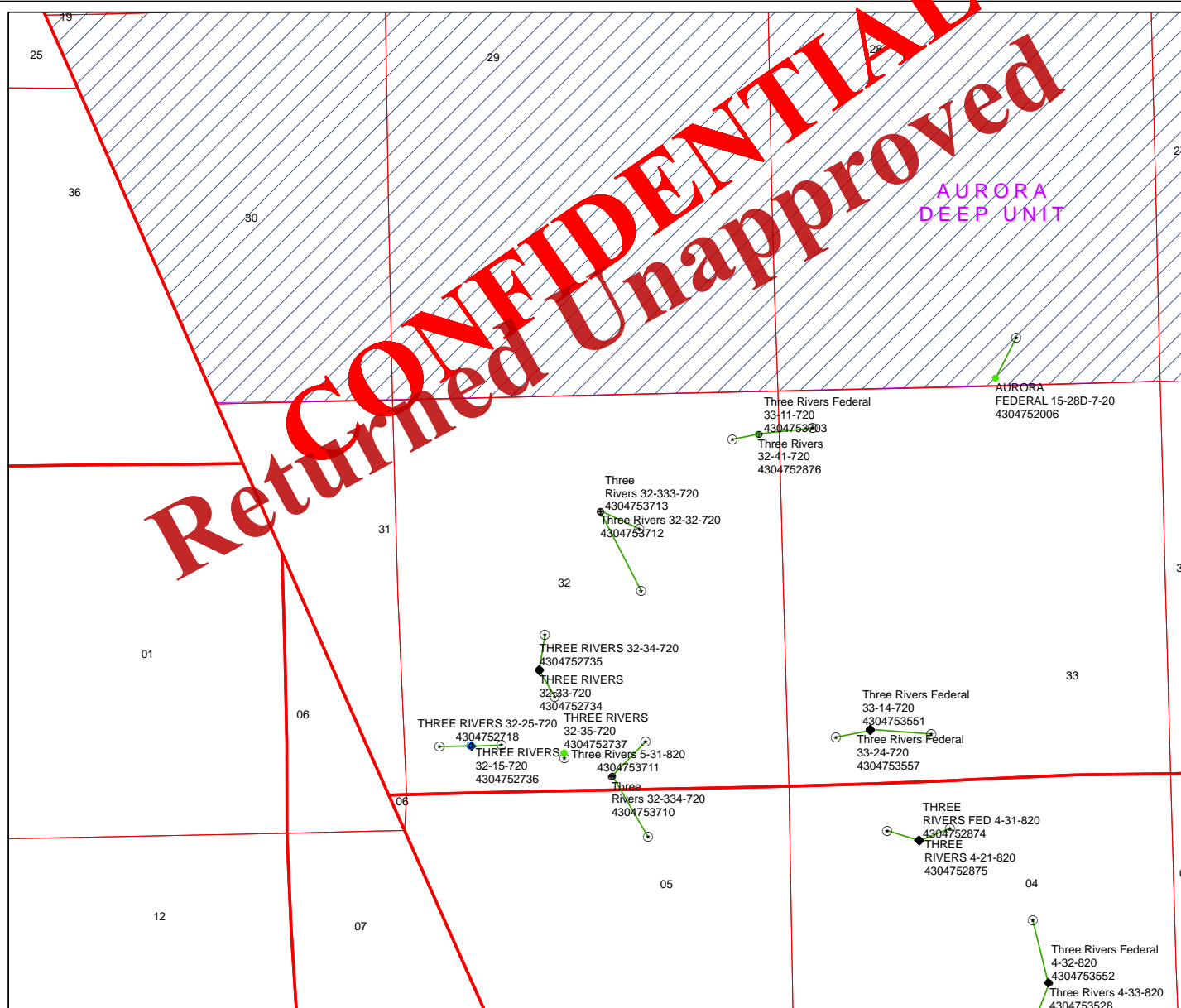
INTERIM RECLAMATION AREA

APPROXIMATE ACREAGES  
UN-RECLAIMED = ± 0.995 ACRES

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

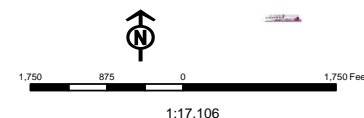
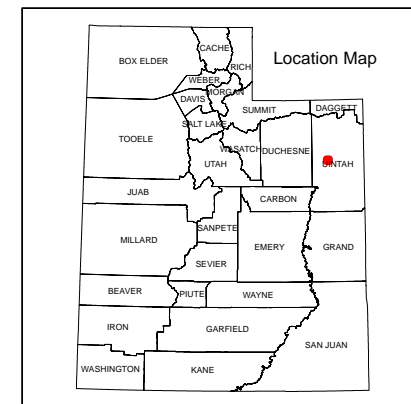
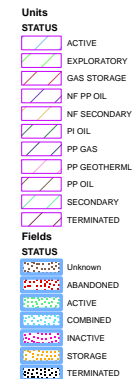
Received: April 10, 2013

**CONFIDENTIAL**  
**Returned Unapproved**



API Number: 4304753712  
Well Name: Three Rivers 32-32-720  
Township T07.0S Range R20.0E Section 32  
Meridian: SLBM  
Operator: AXIA ENERGY LLC

Map Prepared:  
Map Produced by Diana Mason



Received: April 11, 2013





GARY R. HERBERT  
*Governor*

GREGORY S. BELL  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

May 02, 2013

AXIA ENERGY LLC  
1430 Larimer Ste 400  
Denver, CO 80202

Re: Application for Permit to Drill - UINTAH County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the Three Rivers 32-32-720 well, API 43047537120000 that was submitted April 10, 2013 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason  
Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah